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SUBJECT: CRITICAL EQUIPMENT NEEDS FOR IRAN, S NEW IR-2  
CENTRIFUGE DESIGN: SPECIFIC COMPANY INFORMATION AND  
CLARIFICATION ON EPOXY RESIN

REF: A. STATE 021770  
[B. STATE 039585](#)  
[C. STATE 052030](#)  
[D. TOKYO 001556](#)

[1. \(U\)](#) This is an action request. Please see paragraph 4.

[2. \(SBU\)](#) BACKGROUND:

-- On May 15, Washington provided all Nuclear Suppliers Group (NSG) Participating Governments (PGs) with detailed information regarding critical commodities Iran requires to support the deployment of the next generation of gas centrifuges for its uranium enrichment program (ref C). This list identified technologies Iran cannot indigenously manufacture and therefore needs to procure from foreign suppliers.

-- In response to this information (ref C), the GOJ asked several questions about the United States, controls on epoxy resin (ref D) and Washington now has clarifying information to provide to the GOJ.

[3. \(SBU\)](#) We would also like to provide specific information to the GOJ regarding major Japanese manufacturers of the items Iran needs for the IR-2 centrifuge design. The U.S. is making a similar approach to major supplier countries in Europe, as well as key transshipment countries. The U.S. intends to approach governments with any new developments in U.S. efforts to prevent Iranian procurement of critical commodities.

[4. \(SBU\)](#) ACTION REQUEST: Post is requested to approach appropriate GOJ officials to deliver the nonpapers in paras 5 and 6. In doing so, post should pursue the following objectives:

-- Share information on ongoing USG efforts to prevent Iranian procurement of key gas centrifuge-related commodities and provide additional information to the GOJ to make them aware of companies that are major producers of such items in their country.

-- Encourage the GOJ, if they have not already done so, to discuss and highlight to businesses and law enforcement authorities the importance of being vigilant against the deceptive procurement practices of Iran, particularly as it relates to items useful in a gas centrifuge program.

-- Provide the GOJ with clarifications regarding epoxy resin used in centrifuge programs and encourage the GOJ to carefully review any exports of epoxy resins to Iran.

-- Urge host government to share any relevant information from their industry outreach activities with the USG, the NSG, and the IAEA.

[5. \(U\)](#) BEGIN U.S. NON-PAPER.

-- Industry outreach is critical to ensuring that Iran cannot procure items to advance its WMD programs, including its uranium enrichment activities.

-- Although the U.S. has enacted comprehensive economic sanctions against the Iranian government, risks remain and the U.S. is undertaking various initiatives to raise awareness among U.S. industry to avoid illicit diversion of their products. Greater awareness will prevent the unwitting transfer of items to Iran that may contribute to Iran,s weapons of mass destruction (WMD) programs, their means of delivery, or advanced conventional weapons.

-- For example, the U.S. alerts U.S. companies that Iran uses deceptive tactics to make procurement for its nuclear, ballistic missile, and advanced conventional weapons programs appear to be unrelated commercial activities. Iranian entities also form front companies in other countries for the sole purpose of sending dual-use items to Iran for use in these programs. These front companies enable the regime to obtain materials that the country of origin would typically prohibit for export to Iran.

-- Therefore, we are asking U.S. companies to be particularly vigilant about their overseas customers, especially customers operating in known transshipment countries and countries with weak or nonexistent export controls.

-- The U.S. government is currently reaching out to U.S. manufacturers of critical commodities that Iran will need to procure for its new gas centrifuge design. We are alerting them to be cautious of unknown customers who could be procuring items on behalf of Iran,s illicit programs.

-- The U.S. government is also considering additional ways to alert industry and will keep your government informed of new developments in our industry outreach initiatives.

-- If you have not already done so, we encourage you to conduct outreach to your industry to raise awareness regarding the requirements of export controls for Iran. We also request that you alert companies to Iran,s deceptive procurement practices.

-- Targeted outreach to companies known to produce these critical commodities can sensitize manufacturers and exporters to Iran,s deceptive procurement tactics and make them aware of export control regulations which ) consistent with United Nations Security Council Resolutions (UNSCR) 1803, 1747, and 1737 - prohibit exporting sensitive commodities that could advance proliferation-sensitive nuclear activities in Iran, such as uranium enrichment, spent fuel reprocessing, heavy water production and/or reactor operation.

-- The following Japanese companies are major producers of critical commodities that Iran will need to procure for its new gas centrifuge design.

#### Carbon Fiber:

-- Toray Group, Nihonbashi Mitsui Tower, 1-1, Nihonbashi-Muromachi, 2-Chome, Chuo-Ku, Tokyo, 103-8666, Tel: 81-3-3245-5111, website: [www.toray.com](http://www.toray.com)

-- Toho Tenax, Co., Kasumigaseki Common Gate West Tower, 3-2-1 kasumigaseki, Chiyoda-Ku, Tokyo 100-8585, Tel: 81-3-3506-6506, Website: [www.tohotenax.com](http://www.tohotenax.com)

-- Mitsubishi Rayon, Co. Ltd., 6-41, Konan 1-Chome, Minato-Ku, Tokyo, 108-8506, Tel: 81-3-5495-3100, Website: [www.mrc.co.jp](http://www.mrc.co.jp)

#### Filament Winding Machines:

-- Kamitsu Seisakusho, Ltd, Techno Park 16-1, Sanda, Hyogo, 669-1339, Tel: 81-79-560-7735, Website: [www.kamitsu.co.jp](http://www.kamitsu.co.jp)

-- We ask that your government share any relevant information, such as inquiries your companies receive from Iranian entities, with the United States, the NSG, and the IAEA. Information sharing will aid ongoing efforts to track Iranian procurement attempts and provide additional insight

into Iranian procurement practices.

-- We are seeking ways to present information to broad groups of likely suppliers, re-exporters or transshippers on the critical commodities Iran is seeking from foreign suppliers for its nuclear and missile programs. We welcome your government's suggestions on how to best accomplish this and are open to further discussions at the expert level.

End U.S. NON-PAPER.

16. (U) BEGIN U.S. NON-PAPER ON SPECIFIC QUESTIONS.

Response to Japan's Questions on Epoxy Resin

Question 1- Concrete features or characteristics of epoxy resins which may be required to bind carbon fibers used in centrifuges.

-- Epoxy resins used in the production of carbon fiber rotor tubes should be resistant to uranium hexafluoride, hydrogen fluoride, or other fluorinated compounds. If a metal liner is used in the carbon fiber rotor, however, then the compatibility with fluorinated compounds is no longer a concern, and strength is more important. Common epoxy resins such as bisphenol A diglycidyl ether (Araldite F, Epon 825 or DER 332) or bisphenol F diglycidyl ether (Epon 828 or DER 354) cured with an aromatic amine such as metaphenylenediamine (MPDA) (a hardener or catalyst) could be used in this instance.

Question 2- Specific commercial names of epoxy resins, if any.

-- A number of companies distribute epoxy resin and curing agent systems. The major manufacturers include: Huntsman (Araldite is the trade name) which was formerly used by Ciba Geigy, Hexion Specialty Chemicals (Epon is the trade name) which was formerly used by Shell, and Dow Epoxy (DER is the trade name). These producers have distributors worldwide.

Question 3- How does the Government of the United States control epoxy resins (shipped) to Iran?

-- Since epoxy resin is not controlled by any of the multilateral export control regimes, it is classified in the U.S. as EAR99 (which is a U.S. catch-all control) and can be shipped to most countries of the world without a license. For Iran, however, the U.S. has enacted extensive economic sanctions which broadly prohibit exportation, directly or indirectly, from the United States or by a U.S. person, wherever located, of any good, technology or service to Iran or the Government of Iran.

-- The United States is also undertaking a comprehensive outreach program to sensitize U.S. exporters regarding the deceptive trade practices of Iran, specifically with regard to the use of front companies in third countries. This aggressive outreach will help prevent the diversion of U.S. origin items (such as epoxy resin)- which are useful for Iran's WMD programs, but not controlled for most destinations- from being diverted to WMD programs.

END U.S. NON-PAPER ON SPECIFIC QUESTIONS.

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REPORTING DEADLINE AND POC  
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(U) Post is requested to report any substantive responses within seven (7) days of receipt of this cable. Lisa Meyers (ISN/CPI, 202-736-7939, MeyersLA@state.sgov.gov) is the Department's POC for this activity.  
RICE

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End Cable Text